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RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
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TAGS: [PREL](#) [ECON](#) [ETRD](#) [TW](#) [PM](#)  
SUBJECT: PANAMA: NO CHANGE IN RELATIONS WITH TAIWAN

Classified By: POLCOUNS Brian R. Naranjo. Reason: 1.4(d)

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Panama to Continue Dip Recognition of Taiwan  
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11. (U) Panama would continue to recognize diplomatic Taiwan and to sustain commercial ties with China, Panamanian Presidency Secretary of State Communications Erich Rodriguez Auerbach confirmed to the press on June 7. A communique released by the MFA the same day stated:

"The Government of the Republic of Panama indicated today that it respected the sovereign decision of Costa Rica whose president, Oscar Arias, announced yesterday the breaking of diplomatic relations with Taiwan.

"The Secretary of State Communications, Erich Rodriguez Auerbach, confirmed that the Administration of President Martin Torrijos Espino would maintain its current policy that sustains commercial relations with China and diplomatic ties with Taiwan.

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Comment  
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12. (C) Post continues to assess that Panama will not change its diplomatic recognition from Taipei to Beijing in the near term and that no change is likely before the end of President Torrijos' term on September 1, 2009. Currently, Panama's highest priority in its bilateral relationship with the U.S. is securing the adoption of the recently concluded Trade Promotion Agreement (TPA). Anxiously counting votes on Capitol Hill, Panama does not wish to alienate pro-Taiwan U.S. Congressman. Furthermore, Panama currently sustains beneficial ties with both Taipei and Beijing -- ties that include important aid and extensive commercial activity-- and other and does not see a benefit to rearranging its diplomatic recognition at this time. The fact that Rodriguez made this announcement from the Presidency underscores Panama's desire to maintain the status quo on this matter. Furthermore, Panama's quick reaction to Costa Rica's announcement suggests that Panama knew Arias' decision was coming and wished to quickly put to bed any speculation that Panama was contemplating a similar shift. Post will pulse its China-watcher contacts to assess further Panama's position on this matter.

